

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6248**

**BILL NUMBER:** HB 1018

**NOTE PREPARED:** Nov 23, 2009

**BILL AMENDED:**

**SUBJECT:** County Auditors and Assessors.

**FIRST AUTHOR:** Rep. Soliday

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** *Removal from Office:* The bill provides for the removal from office of a county or township assessor or a county auditor if the county's property tax statements have been sent late at least two times during the previous two years or if the official has used sales chasing in the assessment of property. It requires the county executive and the county fiscal body to adopt substantially the same resolution by not less than a two-thirds vote of the members of the body.

*Office Vacancy:* It also provides that if an assessor or a county auditor is removed from office a vacancy is created that must be filled as provided for filling other vacancies in the office.

*Testing:* The bill authorizes the Department of Local Government Finance to adopt rules to develop standards to determine if sales chasing has been used in the assessment of property.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** The bill is not expected to have any fiscal impact on the Department of Local Government Finance (DLGF).

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The bill would have minimal fiscal impact on a county where property tax statements have been sent late for two years or where an official has used sales chasing. The costs of removing an assessor or auditor could include meetings of the county executive and the county fiscal body to adopt resolutions (if the body has to call a special meeting for this issue), and any costs in establishing a

new office holder.

*Background and Additional Information -*

*Department of Local Government Finance:* The DLGF currently uses statistical methods to determine if sales chasing has been used in property assessment. The tests are recommended by the International Association of Assessing Officers' (IAAO's) standards. The testing compares changes in assessed value for properties that were sold with properties that were not sold, excluding new construction, newly created parcels, and properties that changed tax class. The assessed value comparisons are then subject to several statistical analyses to determine if values are within normal ranges.

*Sending Late Property Tax Statements:* Under current law, if a county chooses to send a single property tax statement, the county treasurer is required to send the property tax statement 15 days prior to the due date of the first installment. In statute, the first installment due date is May 10, requiring the statement to be sent by April 25. However, there are certain circumstance under which a tax bill may be delayed by not more than 60 days.

*Sales Chasing:* The bill defines sales chasing as the practice of using the sale of a property to change its value or the values of property near the sold property, while leaving unsold property unchanged. The DLGF has not adopted a definition of sales chasing into the administrative code, but it has adopted the IAAO's standards for ratio studies (1999 version) by reference into the administrative code.

*County Executive and County Fiscal Body:* For a county that does not have a consolidated city the county executive is a three-member board of commissioners, and the county fiscal body is the county council. For a county with a consolidated city, the mayor of the city is the county executive and the county fiscal body is the city-county council. Under the bill, the county executive and the county fiscal body must adopt similar resolutions stating either that the property tax statements have been sent late at least two times during the previous two years or that the property tax official has used sales chasing in assessing property.

*Office Vacancy:* A vacancy in a county office that was last held by a person of a major political party is filled by a caucus.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** Counties.

**Information Sources:** [http://www.in.gov/dlgf/files/Assess-LaPorte\\_AnalysisOfSalesChasing.pdf](http://www.in.gov/dlgf/files/Assess-LaPorte_AnalysisOfSalesChasing.pdf)

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